

The Facts about Uninsured Hoosiers

The Situation

Health insurance premiums have been increasing dramatically across Indiana. Part of the increases can be attributed to the growing number of uninsured Hoosiers. Each Indiana family with health insurance paid an additional \$953 in premiums in 2005 to cover the cost of the uninsured¹. At any point in time, more than 9% of Indiana's population is uninsured. That means 561,000 people do not have health care coverage². Of this group, 70% are families with incomes below 200% of the federal poverty level (FPL), which is \$40,000 for a family of four. In addition, Indiana has the highest per capita rate of medical bankruptcies in the nation, amounting to more than 77,000 affected Hoosiers.³ Unfortunately, the number of uninsured Hoosiers continues to grow as transitions in the economy nationwide reduce the number of individuals on employer-funded health insurance plans. From 1999 to 2004, Indiana had the nation's second highest percentage drop in workers who receive employer-sponsored health insurance⁴.

The Consequences

- An uninsured population is a strain on our society because the cost of treating individuals who do not have health coverage is much higher. For example, the uninsured often delay care. Therefore, when they do seek treatment, they often use emergency rooms. Not only are their conditions more complex and expensive to treat, but staff attention is diverted from focusing on true emergencies.
- Hospitals shift uncompensated care costs (costs of providing care for uninsured people) back to the patients whose insurance companies pay the increased costs. This results in increased premiums for employers who provide insurance coverage to employees.
- The high cost of health care limits Indiana's economic development efforts as companies find the price tag too great for doing business here. This restricts the growth of current Hoosier businesses and prevents new businesses from coming to Indiana.
- Government programs provide some funding to hospitals to offset their uncompensated care, but these programs entitle institutions and do not offer uninsured individuals a choice of where and how to receive their health care.

The Cause

- Most people are uninsured because they cannot afford health insurance.
- The cost for coverage in Indiana is expected to increase by approximately 50% by 2010.
- Health insurance premiums in Indiana have been increasing by double-digit rates for the last four years, higher than the national average⁵.
- More than 30% of those who are uninsured are actually employed by companies that offer coverage, but it is not affordable to employees or they are not eligible (part-time/seasonal employees).
- Many Hoosier businesses, especially small enterprises, may have dropped coverage and no longer provide health insurance to their employees⁶.
- Most businesses are not able to subsidize the rising cost of health care for their employees. Many have had to shift costs to their employees in the forms of reduced benefits, higher premiums, increased co-pays and deductibles for employees, and even exclusions of family members in the policy. In small companies, especially, coverage is not affordable.

¹ Thorpe, Kenneth. Emory University School of Public Health & Families USA: Paying a Premium, June 2005

² State Health Access Data Assistance Center Survey 2004

³ From FSSA internal data – http://www.pnhp.org/bankruptcy/state_by_state.pdf

⁴ Prognosis Worsens for Workers' Health Care, Economic Policy Institute, November 2005

⁵ Kaiser family foundation 2004, www.kff.org/insurance/chcm090904nr.cfm

⁶ Indiana Market Assessment & Drivers of Health Care Costs, Mathematica Policy Research, Inc., 2004